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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-086]

Steel Propane Cylinders from the People's Republic of China: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that steel propane cylinders from the People's Republic of China (China) are being, or are likely to be, sold in the United States at less than fair value (LTFV).

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Stephanie Berger or Laura Griffith, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2483 or (202) 482-6430, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 27, 2018, Commerce published its *Preliminary Determination* of sales at LTFV of steel propane cylinders from China.¹ A complete summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the

¹ See *Steel Propane Cylinders from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value and Postponement of Final Determination Measures*, 83 FR 66675 (December 27, 2018) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum.

issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum.²

The Issues and Decision Memorandum is a public document and is available electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and to all parties in the Central Records Unit, Room B-8024 of Commerce's main building. In addition, a complete version of the Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and electronic version are identical in content.

Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018 through the resumption of operations on January 29, 2019.³ If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. The revised deadline for the final results of this investigation is now June 17, 2019.

Period of Investigation

The POI is October 1, 2017 through March 31, 2018.

Scope of the Investigation

The merchandise covered by this investigation is steel propane cylinders from China. For a complete discussion of the scope of this investigation, *see* Appendix I of this notice.

² See Memorandum, "Issues and Decision Memorandum for the Final Determination of the Antidumping Duty Investigation of Steel Propane Cylinders from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

³ See Memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

Scope Comments

During the course of this investigation and the concurrent countervailing duty (CVD) investigation, Commerce received scope comments from interested parties. Certain interested parties commented on the scope of the investigation as it appeared in the Preliminary Scope Decision Memorandum,⁴ which was issued concurrently with the *Preliminary Determination*. We did not receive any scope comments after the Preliminary Scope Decision Memorandum; therefore, the preliminary scope determination remains unchanged in the final determination.

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), Commerce verified the sales and cost data reported by Hong Kong GSBF Company Ltd. and GSBF TANK Inc. (collectively, GSBF) and Shandong Huanri Group Co., Ltd. (Huanri) for use in our final determination. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by the respondents.

Analysis of Comments Received

All issues raised in the case briefs and rebuttal briefs submitted by interested parties in this proceeding are discussed in the Issues and Decision Memorandum. A list of the issues raised by parties and responded to by Commerce are in the Issues and Decision Memorandum, attached at Appendix II.

⁴ See Memorandum, “Steel Propane Cylinders from the People’s Republic of China (China) and Thailand: Scope Decision Memorandum for the Preliminary Antidumping Duty (AD) and Countervailing Duty (CVD) Determinations,” dated December 18, 2018 (Preliminary Scope Decision Memorandum).

Changes Since the *Preliminary Determination*

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations for both respondents since the *Preliminary Determination*. For a discussion of these changes, *see* the Issues and Decision Memorandum.

China-Wide Entity

For the reasons explained in the *Preliminary Determination*, we are continuing to find that the use of adverse facts available (AFA), pursuant to sections 776(a) and (b) of the Act, is appropriate and are applying a rate based entirely on AFA to the China-wide entity. Commerce did not receive timely responses to its quantity and value (Q&V) questionnaire, separate rate applications, or separate rate supplemental questionnaires from certain exporters and/or producers of subject merchandise that were named in the petition and to which Commerce issued Q&V questionnaires.⁵ TPA Metals and Machinery (DG) Co. Ltd., which did respond to the Q&V questionnaire and was initially selected as a mandatory respondent in this investigation, failed to respond to Commerce's initial questionnaire, and was thus deemed non-responsive.⁶ As these non-responsive companies in China did not demonstrate that they are eligible for separate rate status, Commerce continues to consider them to be a part of the China-wide entity. Consequently, we continue to find that the China-wide entity withheld requested information, significantly impeded the proceeding, and failed to cooperate to the best of their abilities, and thus we are continuing to base the China-wide entity's rate on AFA.

China-Wide Rate

In selecting the AFA rate for the China-wide entity, Commerce's practice is to select a rate that is sufficiently adverse to ensure that the uncooperative party does not obtain a more

⁵ *See* Preliminary Decision Memorandum at 15.

⁶ *Id.*

favorable result by failing to cooperate than if it had fully cooperated.⁷ Specifically, it is Commerce's practice to select, as an AFA rate, the higher of: (a) the highest dumping margin alleged in the petition; or, (b) the highest calculated dumping margin of any respondent in the investigation.⁸ As AFA, Commerce has assigned to the China-wide entity the rate of 108.60 percent.

Combination Rates

In the *Initiation Notice*, Commerce stated that it would calculate combination rates for the respondents that are eligible for a separate rate in this investigation.⁹ Accordingly, we have assigned combination rates to certain companies, as provided in the "Final Determination" section below.

Final Determination

Commerce determines that the following weighted-average dumping margins exist for the period October 1, 2017 through March 31, 2018:

⁷ See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Purified Carboxymethyl cellulose from Finland*, 69 FR 77216, 77219 (December 27, 2004), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Purified Carboxymethyl Cellulose from Finland*, 70 FR 28279, 28279 (May 17, 2005).

⁸ See, e.g., *Certain Stilbenic Optical Brightening Agents from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 77 FR 17436, 17438 (March 26, 2012); *Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon Quality Steel Products from the People's Republic of China*, 65 FR 34660 (May 31, 2000), and accompanying Issues and Decision Memorandum.

⁹ See *Steel Propane Cylinders from the People's Republic of China, Taiwan, and Thailand: Initiation of Less-Than-Fair-Value Investigations*, 83 FR 28196, 28201 (June 18, 2018) (*Initiation Notice*).

Producer	Exporter	Weighted-average margin (percent)	Cash Deposit adjusted for subsidy offset (percent)
GSBF Tank Inc.	Hong Kong GSBF Company Limited	37.41	3.94
Shandong Huanri Group Co. Ltd.	Shandong Huanri Group Co. Ltd.	25.52	0.0
Jiaxing Pressure Vessel Factory	Jiaxing Pressure Vessel Factory	26.28	0.0
China-Wide Entity ¹⁰		108.60	75.13

Disclosure

We will disclose the calculations performed within five days of public announcement of this notice in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of steel propane cylinders from China, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after December 27, 2018, the date of publication of the *Preliminary Determination* of this investigation in the *Federal Register*. Further, Commerce will instruct CBP to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price as shown above.

To determine the cash deposit rate, Commerce normally adjusts the estimated weighted-average dumping margin by the amount of domestic subsidy pass-through and export subsidies

¹⁰ The China-wide entity includes: Hubei Daly LPG Cylinder Manufacturer Co. Ltd., Taishan Machinery Factory Ltd., TPA Metals and Machinery (DG) Co. Ltd., Wuyi Xilinde Machinery Manufacture Co., Ltd., and Zhejiang Jucheng Steel Cylinder Co., Ltd.

determined in a companion CVD proceeding when CVD provisional measures are in effect. Accordingly, where Commerce makes an affirmative determination for domestic subsidy pass-through or export subsidies, Commerce offsets the calculated estimated weighted-average dumping margin by the appropriate rate(s). In this case, we have made an affirmative determination for domestic subsidy pass-through and export subsidies for certain respondents. However, suspension of liquidation for provisional measures in the companion CVD case has been discontinued; therefore, we are not instructing CBP to collect cash deposits based upon the adjusted estimated weighted-average dumping margin for those subsidies at this time.

Pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), Commerce will instruct CBP to require a cash deposit equal to the weighted-average amount by which NV exceeds U.S. price as follows: (1) the cash deposit rate for the exporter/producer combination listed in the table above will be the rate identified for that combination in the table; (2) for all combinations of exporters/producers of merchandise under consideration that have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate established for the China-wide entity; and (3) for all non-Chinese exporters of the merchandise under consideration which have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate applicable to the Chinese exporter/producer combination that supplied that non-Chinese exporter. These suspension of liquidation instructions will remain in effect until further notice.

International Trade Commission (ITC) Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act,

the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports, or sales (or the likelihood of sales) for importation of steel propane cylinders from China no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated, and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise, entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding Administrative Protective Orders

This notice serves as the only reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a violation subject to sanction.

Notification to Interested Parties

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

Dated: June 17, 2019.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is steel cylinders for compressed or liquefied propane or other gases (steel propane cylinders) meeting the requirements of, or produced to meet the requirements of, U.S. Department of Transportation (USDOT) Specifications 4B, 4BA, or 4BW, or Transport Canada Specification 4BM, 4BAM, or 4BWM, or United Nations pressure receptacle standard ISO 4706 and otherwise meeting the description provided below. The scope includes steel propane cylinders regardless of whether they have been certified to these specifications before importation. Steel propane cylinders range from 2.5 pound nominal gas capacity (approximate 6 pound water capacity and approximate 4–6 pound tare weight) to 42 pound nominal gas capacity (approximate 100 pound water capacity and approximate 28–32 pound tare weight). Steel propane cylinders have two or fewer ports and may be imported assembled or unassembled (*i.e.*, welded or brazed before or after importation), with or without all components (including collars, valves, gauges, tanks, foot rings, and overfill prevention devices), and coated or uncoated. Also included within the scope are drawn cylinder halves, unfinished propane cylinders, collars, and foot rings for steel propane cylinders.

An “unfinished” or “unassembled” propane cylinder includes drawn cylinder halves that have not been welded into a cylinder, cylinders that have not had flanges welded into the port hole(s), cylinders that are otherwise complete but have not had collars or foot rings welded to them, otherwise complete cylinders without a valve assembly attached, and cylinders that are otherwise complete except for testing, certification, and/or marking.

This investigation also covers steel propane cylinders that meet, are produced to meet, or are certified as meeting, other U.S. or Canadian government, international, or industry standards (including, for example, American Society of Mechanical Engineers (ASME), or American National Standard Institute (ANSI)), if they also meet, are produced to meet, or are certified as meeting USDOT Specification 4B, 4BA, or 4BW, or Transport Canada Specification 4BM, 4BAM, or 4BWM, or a United Nations pressure receptacle standard ISO 4706.

Subject merchandise also includes steel propane cylinders that have been further processed in a third country, including but not limited to, attachment of collars, foot rings, or handles by welding or brazing, heat treatment, painting, testing, certification, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope steel propane cylinders.

Specifically excluded are seamless steel propane cylinders and propane cylinders made from stainless steel (*i.e.*, steel containing at least 10.5 percent chromium by weight and less than 1.2 percent carbon by weight), aluminum, or composite fiber material. Composite fiber material is material consisting of the mechanical combination of two components: Fiber (typically glass, carbon, or aramid (synthetic polymer)) and a matrix material (typically polymer resin, ceramic, or metallic).

The merchandise subject to this investigation is properly classified under statistical reporting numbers 7311.00.0060 and 7311.00.0090 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS statistical reporting numbers are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
 - II. Background
 - III. Scope of the Investigation
 - IV. Changes Since the Preliminary Determination
 - V. Discussion of the Issues
- Comment 1: Selection of Financial Statements to Value the Financial Ratios
- Comment 2: Subsidy Rate Calculated for the Export Buyer's Credit Program
- Comment 3: Surrogate Value Selections for Huanri and GSBF
- A. Natural Gas for Huanri
 - B. Rubber Plug for GSBF
 - C. Teflon Tape for GSBF
 - D. Valve for GSBF
 - E. Steel Roll for GSBF
 - F. Steel Scrap for GSBF
- Comment 4: Ministerial Errors and Other Issues
- A. Errors in the Determination of the Surrogate Financial Ratios
 - B. Argon Conversion for Huanri and GSBF
 - C. Oxygen Gas Conversion for GSBF
 - D. Natural Gas Conversion for Huanri
 - E. Calculation of Market Economy Purchase for Overflow Protection Devices (OPDs) for Huanri
 - F. Misclassified Paint Variable in GSBF's Margin Calculation Program
 - G. Errors Identified in Huanri's Verification Report
- VI. Recommendation
- [FR Doc. 2019-13250 Filed: 6/20/2019 8:45 am; Publication Date: 6/21/2019]